



O R I G I N A L
N A R U C
National Association of Regulatory Utility Commissioners

FX PARTE OR LATE FILED

RECEIVED

SEP - 9 1999

Federal Communications Commission
Office of Secretary

August 19, 1999

Irene Flannery
Chief Accounting Policy Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

CC DKT 96-45 ✓
CC DKT 97-21

RE: The Federal Rural Health Care Program

Informal NARUC Request for FCC in the proceeding captioned "*In the Matter of
Federal-State Joint Board on Universal Service*," CC Docket 96-45

Dear Ms. Flannery:

Shortly after the National Association of Regulatory Utility Commission's (NARUC) July meetings in San Francisco, California, I forwarded copies of all the resolutions passed to your office. One of those resolutions, captioned "**RESOLUTION ON THE UNIVERSAL SERVICE RURAL HEALTH CARE PROGRAM**" includes suggestions for FCC action with respect to the requirement in Section 254(h)(1)(A) of the Telecommunications Act of 1996 that health care providers in certain areas should, generally, have access to advanced telecommunications services. A copy of the resolution is attached.

As you know, on March 5, 1999, the USAC gave the FCC a formal evaluation of the Rural Health Care Program (RHCP) which included recommendations for program improvement. Subsequently, USAC's CEO, Cheryl Parrino, suggested that NARUC could provide specific recommendations for overcoming program barriers and for improved program performance. In response, NARUC established an informal working group whose recommendations resulted in the resolution mentioned earlier.

After applauding the USAC and Ms. Parrino for seeking State input on these issues, the resolution includes several recommendations for State action and states:

- *The USAC should be encouraged to seek administrative solutions to barriers identified in its March 1999 Report to the FCC; and*
- *The NARUC urges the FCC "in particular to seek remedies to the ETC and resale issues identified in the Report which present significant obstacles to successful Rural Health Care Program participation."*

No. of Copies rec'd 4
List ABCDE

The resolution also requires that NARUC present three specific requests to the FCC. Accordingly, NARUC specifically requests that the FCC do the following:

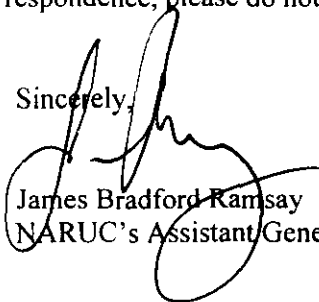
- *Seek alternatives to past policy limiting rural health care funding to ETC's;*
- *Devote necessary resources to find ways to overcome obstacles to successful Rural Health Care Program participation; and*
- *Seek alternatives to past policy interpreting as resale the utilization of a health care provider's telecommunications network by an entity not initially designated as a member of a consortium if the health care provider is simply passing through to that entity the actual costs (based upon procedures acceptable to the FCC) associated with the usage if the entity's use of the network was clearly unable to be initially identified.*

NARUC's States and territorial members look forward to working closely with the Commission and USAC. NARUC members are ideally situated to actively participate in leadership roles to facilitate outreach and to provide information so eligible rural health care providers have access to funding assistance data. Accordingly, the resolution also urges every NARUC member work closely with the FCC and the USAC – as well as the NARUC working group established specifically to address RHCP concerns. Moreover, it specifically urges NARUC members to address, to identify, and to document barriers to the RHCP's success in their respective jurisdiction, identify any procedures implemented to minimize the identified barriers and provide that information to NARUC in order to create an awareness of the problems, and to share actual experiences and to work together with other in finding appropriate solutions.

NARUC appreciates the continuing efforts by the FCC Commissioners and Staff to coordinate with the NARUC's members to forge a stronger coordinated Federal State partnership on the entire range of implementation issues that remain. We respectfully request that you give careful consideration to NARUC's requests as outlined above.

If you have any questions about this correspondence, please do not hesitate to contact me at 202.898.2207 or jramsay@naruc.org.

Sincerely,



James Bradford Ramsay
NARUC's Assistant General Counsel

Enclosure

RESOLUTION ON THE UNIVERSAL SERVICE RURAL HEALTH CARE PROGRAM

WHEREAS, The federal Telecommunications Act of 1996 states that all health care providers should, generally, have access to advanced telecommunications services;

WHEREAS, The Rural Health Care Division (RHCD) program is a Universal Service support program authorized by Congress, designed by the FCC, and administered by the Universal Service Administrative Company (USAC) to provide support to rural health care providers for telecommunications services related to the use of telemedicine and telehealth; and

WHEREAS, On March 5, 1999, USAC issued a Report to the FCC evaluating the Rural Health Care Program, including the identification and quantification of barriers to the efficient operation of the RHCD program and recommendation for program improvement; and

WHEREAS, On April 30, 1999, USAC, through its Chief Executive Officer, Cheryl L. Parrino, suggested that NARUC could provide specific recommendations for overcoming program barriers and specific recommendations for improved program performance; and

WHEREAS, The NARUC Telecommunications Subcommittee established an informal working group to make recommendations to NARUC, the FCC and USAC for Rural Health Care Program improvements; and

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC), assembled at its 1999 Summer Meetings in San Francisco, California, applauds USAC for seeking input from States and territories on the Rural Health Care Program and giving States and territories the opportunity to comment and make recommendations on general program improvements; and

WHEREAS, States and territories can identify and document barriers to the Rural Health Care Program's success within their individual states and territories, to identify procedures they have implemented to minimize the identified barriers and provide that information to NARUC in order to create an awareness of the problems, to share actual experiences and to work together with other in finding appropriate solutions; and

WHEREAS, States and territories are able to facilitate the gathering and sharing of information so that applicant health care providers may explore opportunities for coordination of telecommunications discount funding with other available funding sources, such as the Rural Utilities Service and the National Telecommunications and Information Administration; and

WHEREAS, States and territories are in a position to actively participate in leadership roles to facilitate outreach and to provide information so that eligible rural health care providers have access to telecommunications funding assistance data; now therefore be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its 1999 Summer Meeting in San Francisco, California, that states and territories should be encouraged to work with the NARUC rural health care working group, the FCC and USAC to facilitate program improvements; and be it further

RESOLVED, That NARUC should provide a model Web site to guide States and territories in providing electronic access to RHCP information; and should encourage States and territories to develop and

maintain, on the PUC Web sites, easily accessible information on the Rural Health Care Program including a list of State certified Eligible Telecommunications Carriers, data and information developed by the states for the purposes of their outreach effort, and links to related Web sites, including the USAC Web site of www.universalservice.org for additional information; and be it further

RESOLVED, That USAC should be encouraged to seek administrative solutions to barriers identified in its March 1999 Report to the FCC and that the FCC should be encouraged in particular to seek remedies to the ETC and resale issues identified in the Report which present significant obstacles to successful Rural Health Care Program participation; and be it further

RESOLVED, That NARUC's General Counsel should submit an ex parte letter to the FCC requesting that the FCC:

- Seek alternatives to past policy limiting rural health care funding to ETC's;
- Devote necessary resources to find ways to overcome obstacles to successful Rural Health Care Program participation; and
- Seek alternatives to past policy interpreting as resale the utilization of a health care provider's telecommunications network by an entity not initially designated as a member of a consortium if the health care provider is simply passing through to that entity the actual costs (based upon procedures acceptable to the FCC) associated with the usage if the entity's use of the network was clearly unable to be initially identified; and be it further

RESOLVED, That the NARUC General Counsel be directed to take any other action deemed necessary to carry out the intent of this resolution.

Sponsored by the Committee on Telecommunications.

Adopted by the NARUC Board of Directors July 23, 1999